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FOR EUR/NB -- KATHERINE GARRY AND EUR/FO -- MELISSA BUCK

SENSITIVE  
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TAGS: [PREL](#) [PGOV](#) [OVIP](#) [AMGT](#) [ASEC](#) [AFIN](#) [EN](#)

SUBJECT: SCENESETTER FOR PRINCIPAL DEPUTY SECRETARY KURT  
VOLKER

Ref: A) 06 TALLINN 311 B) TALLINN 432 C) TALLINN 519 D)

TALLINN 547 E) 06 TALLINN 1114 F) TALLINN 0002 G) TALLINN  
541 H) TALLINN 366 I) TALLIINN 375 J) TALLINN 520 H)  
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11. (U) Welcome to Tallinn. Your visit will bring you to one of our most supportive allies in Europe. Your arrival comes on the heels of a banner period for U.S.-Estonian bilateral relations the past year: the President's historic visit to Estonia last November; Estonian appreciation for U.S. support during the April "Bronze Soldier" riots, subsequent cyber attacks and deteriorating relations with Russia; Foreign Minister Urmas Paet's visit to Washington for a celebration of the 85th anniversary of U.S-Baltic diplomatic relations; and President Toomas Hendrik Ilves' June visit to the White House.

12. (SBU) Mr. Aivo Orav, Ministry of Foreign Affairs (MFA) Director General for Political Affairs, is hosting the Vilnius 10 (V-10) Political Directors Conference on September 12-13. The conference agenda includes discussions on:

- NATO enlargement (for Western-Balkan countries, Georgia, and Ukraine);
- Euro-Atlantic integration of NATO partners;
- Conventional Forces in Europe (CFE) Treaty;
- Missile Defense;
- Kosovo;
- Energy Security;
- Russia;
- Afghanistan;
- Cyber Security; and
- Iraq.

Estonia: A Staunch NATO Ally

13. (U) CONTRIBUTIONS TO NATO AND INTERNATIONAL SECURITY: Estonia consistently supports U.S. positions within NATO. Despite the small size of its military, it is contributing 8.2% of its deployable forces in NATO operations (in Afghanistan, Kosovo, NATO Response Force, and NATO's Iraq Training Mission in Jordan), Operation Enduring Freedom in Iraq, European Union's (EU) operations (the EU's Nordic Battle Group), and other foreign missions (including the UN mission in Lebanon). Unlike some NATO allies which are cutting back on defense spending, the GOE is on track to meet its NATO commitment to devote 2% of its GDP to defense (currently at 1.83%).

14. (U) AFGHANISTAN: Afghanistan is Estonia's highest foreign policy priority in the global war on terror (GWOT). A company of Estonian soldiers (130) is deployed to the

southern province of Helmand (the epicenter of Afghanistan's opium production and a stronghold for the Taliban). On June 23, two Estonian soldiers were killed and four seriously wounded in a Taliban rocket attack. After the attack, Estonia's President, Prime Minister, Foreign Minister, and Defense Minister all publicly reiterated the GOE's support for the mission in Afghanistan. Defense Minister Jaak Aaviksoo recently returned from a visit to Helmand where he met with Estonian troops (August 26-27). In addition to its military presence, the GOE has one diplomat in Afghanistan who oversees Estonian development assistance. In June 2007, the MFA delivered almost \$100,000 of pre-natal medical equipment to a hospital in Helmand (Refs A and B). The GOE's Afghanistan mission mandate expires at the end of the year. This fall, Parliament will have to vote on renewal of the mandate. The Afghanistan mission enjoys wide support in Parliament, even with opposition parties. Our parliamentary interlocutors have consistently told us that they believe the renewal will pass without much controversy or difficulty (Ref C).

¶5. (SBU) IRAQ: Estonia has been a committed partner in Iraq since 2003. Currently, 34 Estonian soldiers serve shoulder-to-shoulder with U.S. troops under the command of the U.S. 1ST Cavalry Division outside of Baghdad. To date, the Estonians have suffered a total of 18 casualties, including two killed, in Iraq. The Estonians are involved in some of the toughest counter-insurgency missions and have consistently received praise from U.S. commanders on the ground for their skill, professionalism, and valuable contribution. Like the Afghanistan mission, the Iraq mission mandate expires at the end of the year. As the Iraq mission is unpopular with the Estonian public, we expect the debate in Parliament will be contentious and politicized (Ref D). Maintaining political support for

Estonia's presence in Iraq will be a serious challenge in the medium- to long-term.

¶6. (SBU) BALKANS: In spring 2007, Estonia finished its participation in EU-peacekeeping operations in Bosnia. Estonia reduced its presence in Kosovo from a company-size infantry unit (participating in a Danish-led peacekeeping force) to 25 soldiers, who serve in Pristina as military police. On Kosovo's final status, the GOE strongly supports a unified EU position on the basis of the Ahtisaari Plan.

¶7. (U) GEORGIA: The GOE has been active in supporting Georgian reforms as well as peace and security in the region. President Ilves (twice), Prime Minister Ansip, and Foreign Minister Paet have all traveled to Georgia in the past year. Estonia supports Georgia's NATO membership aspirations and has advocated for initiation of a Membership Action Plan (MAP) for Georgia. The MFA views Georgia as a priority country for democracy promotion and assistance. Estonia sent two experts to participate in an international investigation into the missile incident in Georgia in August. Estonian support for Georgia during this crisis has come from the highest levels of the GOE and the Parliament (Ref G).

¶8. (U) NATO ENLARGEMENT: Estonia is a vocal supporter of NATO expansion. PM Ansip and FM Paet regularly speak out on the importance of bringing Balkan and Eastern European countries into NATO in order to cement democratic and free-market reforms there. Despite its commitment to NATO expansion, Estonia has always made it clear that no aspirant country should be given a "free ride" when it comes to fulfilling membership requirements. President Toomas Hendrik Ilves, Prime Minister Ansip, and Foreign Minister Paet recently reiterated this message in meetings with Ukrainian President, Viktor Yanukovich, and Georgian President Mikheil Saakashvili (Ref E and F).

¶9. (SBU) CFE TREATY: Estonia is not a member of CFE, but is eager to join. Russia's recent posturing to suspend

negotiations on the adapted CFE Treaty has elicited strong reactions from the GOE. Estonia is adamant that regardless of the approach in overcoming the current stalemate with Moscow, Russia must fully satisfy its Istanbul commitments. An Estonian delegation met with U.S., Lithuanian, and Latvian officials in Vilnius in late August to discuss the latest CFE developments. MFA and MOD interlocutors have informed us that the GOE is generally supportive of U.S. initiatives on CFE, but wants further consultation on all developments (Ref J).

#### A Democracy Promoter: Central Europe and the Balkans

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¶10. (U) ASSISTANCE TO GEORGIA, UKRAINE, AND MOLDOVA: Georgia, Ukraine and Moldova are priority countries for Estonian development assistance in the region. GOE assistance promotes political, military and economic reforms in line with NATO and EU accession. The GOE annually sponsors Georgian, Ukrainian and Balkan military officers, civilians, civil servants, and diplomats to study at the Baltic Defense College (in Tartu), the Public Service Academy, and the School of Diplomacy. In multiple forums, recipient countries commented on Estonia's credibility in promoting democracy and market reforms in the region -- due to its own successful transition and accession to the EU and NATO. Former Prime Minister Mart Laar has served as an advisor to Georgian President Saakashvili since 2005. In spring 2007, Ukrainian President Yushchenko's invited former Estonian President Arnold Ruutel to discuss how to promote political and market reforms in Ukraine.

¶11. (U) BALKANS AND ADRIATIC ASSISTANCE: Estonia also provides some development assistance to countries in the Balkans and Adriatic in the areas of IT, tourism, market reforms, and institution building through project partnerships linking local municipalities, NGOs, and various government agencies. In Brussels, the MFA supports a more proactive EU role in the region.

#### Other Issues: Cyber Security, Relations with Russia, Energy Security and Visa Waiver

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¶12. (SBU) CYBER SECURITY: In the aftermath of the GOE's decision to relocate a Soviet era World War II monument, the "Bronze Soldier", Estonia became victim of a series of coordinated cyber attacks. For over a month, Estonian

government, banking, and media online infrastructure (e.g., websites, servers, and routers) came under a barrage of cyber attacks that tested Estonian cyber defenses and proved extremely expensive. While the GOE suspects Moscow's complicity, it has only circumstantial evidence linking Russia to the cyber attacks. The technology behind the attacks was not new or sophisticated, but the attacks revealed the inherent vulnerabilities of modern, online infrastructure. In July, the GOE finished its initial investigation and analysis of the attacks. While Estonia's cyber defenses were ultimately successful, the GOE's report recommended further improvements, especially in regards to public-private cooperation (Ref H and I).

¶13. (SBU) RELATIONS WITH RUSSIA: Sixteen years after regaining its independence, Estonia's relationship with Russia remains difficult and complicated. While the countries share trade and investment ties, they have not been able to conclude a border treaty. Depending on the political climate, trucks crossing from Estonia into Russia may encounter delays of up to several days (Ref J). The relocation of the "Bronze Soldier" prompted riots (the largest since 1918) by ethnic Russians in Tallinn. Following the riots, Russia put heavy economic and diplomatic pressure on Estonia - including refusing to disperse a mob outside the Estonian Embassy in Moscow for several days, limiting rail and truck traffic across the border and encouraging a boycott of Estonian goods (Ref H).

Since May, rail traffic (oil, coal, wood and other materials) has been down by between 30 to 50% - significantly reducing Estonia's transit revenues and complicating supply lines for Estonian companies.

¶14. (U) ENERGY SECURITY: Large domestic oil shale reserves have allowed Estonia to remain relatively independent of Russian energy supplies, although Estonia imports natural gas from Russia. The GOE is currently exploring multiple options for diversifying sources in the long term. (Note. Industry estimates predict that reserves of high quality, easily accessible oil shale will last anywhere from 15 to 100 more years. End Note.) The GOE will need to invest in expensive upgrades to its oil shale plants to meet EU environmental standards by 2012. A proposed Baltic-Polish nuclear reactor in Lithuania, as well as possible participation in a new Finnish reactor, presents other possibilities for expanding electricity supply. The proposed NordStream gas pipeline from Russia to Germany may pass very close to Estonia's territorial waters. Speaking at the Center for Strategic and International Studies (CSIS) in late June, President Ilves said that Germany's "failure" to consult with other EU members regarding NordStream undermined trust and highlighted the need for a common EU approach to energy security.

¶15. (SBU) VISA WAIVER: Securing visa-free travel to the United States for Estonian citizens remains a priority for both the GOE and Estonian public. Senior GOE officials and the media regularly raise the issue of membership in the U.S. Visa Waiver Program (VWP) at all levels with the USG. Estonia's recent progress toward meeting the VWP criteria and U.S. Congressional action have put the country on track (perhaps) to join the VWP by the summer of 2009.

PHILLIPS